

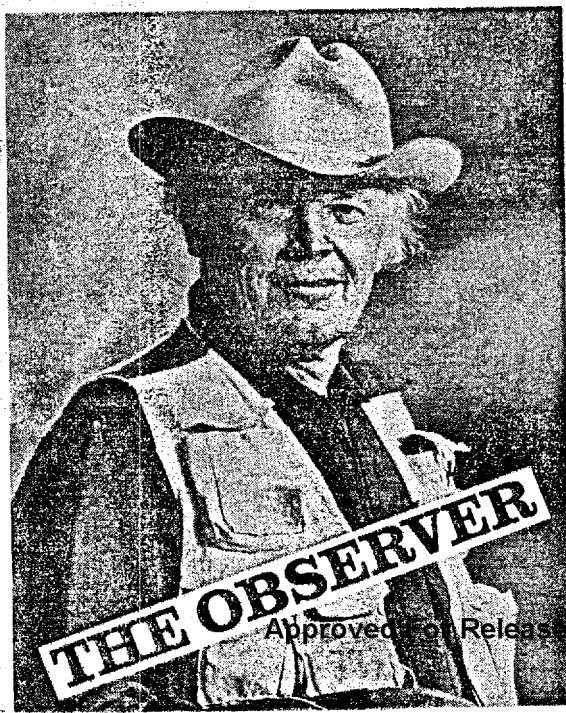
A U.S. Pipeline to London

Newspapers and petroleum companies are not obvious and natural allies. So it came as a surprise to many Britons last week when the *Sunday Observer* (circ. 668,000), one of Fleet Street's most literate papers, was purchased by the Atlantic Richfield Co., a \$7 billion Los Angeles-based oil giant. The token price: one pound sterling, or about \$1.65.

The man who put Atlantic Richfield in the newspaper business is Robert O. Anderson, 59, Arco's chairman. A part-time cattleman (his 1 million acres of ranch land make him one of the nation's largest individual landowners), philanthropist and self-styled student of social problems, Anderson is chairman of the Aspen Institute for Humanistic Studies, a social science think tank with offices round the world.

Serendipitous Supper. Last month Douglass Cater, who directs the institute's communications program and once served as Washington editor of the now defunct *Reporter* magazine, was dining in London with an old friend, *Observer* Contributor Kenneth Harris. "Do you know anyone with a few million to spare?" Harris asked. The *Observer*, it turned out, had been losing as much as \$1 million a year and recently laid off one-third of its staff. The paper's owners, heirs of the second Lord Astor, were willing to hand over control to the right investor. Cater telephoned the Aspen Institute, which reached Anderson, and Anderson invited *Observer* Proprietor and former Editor David Astor to bring the paper's books with him to Los An-

ROBERT O. ANDERSON ON A FISHING TRIP



geles. Last week, ten days after Cater's serendipitous supper, Atlantic Richfield's board approved the purchase; the price reflected the reality that the oil company was acquiring financial liabilities, not profitable assets.

The Astors had received other bids for the *Observer*—from Fleet Street, four Arab countries and even a Hong Kong patent-medicine heiress. Until last week the leading suitor was Publisher Rupert Murdoch, the Australian whose three-continent newspaper empire includes London's *Sun* and *News of the World* and who two weeks ago agreed to buy the *New York Post*. But the Astors were troubled that many of Murdoch's 87 newspapers are distinguished chiefly by their attention to sex and scandal, and Murdoch would not guarantee editorial independence to *Observer* editors.

Anderson would, in writing, and he also promised that Atlantic Richfield would spend an undisclosed sum—believed to be as much as \$10 million—to improve the paper and expand news coverage. "We do not propose to change the paper's editorial policy," said Anderson. "Our intention is solely to provide support for the *Observer*, one of the world's outstanding newspapers."

Anderson may have a couple of other intentions: to score a public relations coup for his company and acquire a direct pipeline to Britain's ruling elite. Founded in 1791, the *Observer* has published some well-known British writers—George Orwell, Arnold Toynbee and, posthumously, Evelyn Waugh—and taken a few risks along the way. The paper was persecuted by the Crown for reporting the secret trial of the Cato Street conspirators in 1820, and alienated many readers by denouncing the British invasion of Suez in 1956.

Old Boy Network. The *Observer* has lost much of its vigor in recent years under Editor David Astor, who stepped aside last year. ("The editor's indecision is final," an Astor deputy once quipped.) But the paper is still firmly plugged into the Old Boy network of Oxbridge dons, senior civil servants and other privileged subjects who have helped run Britain—and the *Observer*—for decades. Ownership of the *Observer* will give Anderson a box seat in that select circle, a valuable asset in a business as politically sensitive as oil. Indeed, Anderson has announced plans for an "international advisory council" of leading businessmen, politicians and educators to assist the paper's board of directors. "Great corporate enterprises need to do things plains Cater. "In the broadest sense, public relations is involved."



TOM MORGAN AT NEW YORK OFFICES

Old Left, New Broom

Fresh out of Carleton College and fortified with a letter of introduction from one of his professors, Thomas B. Morgan came to New York City in 1949 for an interview at an earnest little journal of ideas called *Politics*. "You've got a job," said Editor Dwight Macdonald, handing Morgan a broom. "Sweep out the room. We just folded."

This week Morgan will buy his own journal of ideas, *The Nation*, America's oldest continuously published weekly (founded in 1865). The magazine has always been slightly to the left of American journalism, and often out in front. *The Nation* blew the whistle five months before the event on CIA preparations for the 1961 Bay of Pigs invasion—to little avail—and published the first article on automobile safety by a young lawyer named Ralph Nader. Publisher James J. Storrow Jr., who has owned the magazine since 1965, put it on the block early this year, after the retirement of longtime Editor Carey McWilliams. "It was time to turn it over to someone who is younger and has more energy," says Storrow, now 60.

Morgan, 50, is married to a Rockefeller (Nelson's younger daughter, Mary), has worked at *Esquire* and *New York* and, until last month, was editor of the *Village Voice*. Morgan says he will retain Editor Blair Clark, 59, to write the paper's editorials. He intends to raise freelance rates, attract more big-name political writers, and try to give *The Nation* something it has lacked for all but a handful of its 111 years: a profit. "My goal is to run it in the black," says Morgan. "It has always been an in-